

RESOLUTION NO. 324

**A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AMENDING
THE PERSONNEL POLICIES AND PROCEDURES MANUAL**

WHEREAS, the City Council has adopted a Personnel Policies and Procedures Manual;

WHEREAS, Personnel Policies and Procedures Manual, describes, among other things, compensation systems and benefits for City employees;

WHEREAS, the current practice of administering two separate 401(a) retirement plans is often confusing and cumbersome to both the employee and the City;

WHEREAS, the City currently budgets for full participation in both plans; and

WHEREAS, the City wishes to consolidate both 401(a) retirement plans into one mandatory plan; NOW, THEREFORE,


BE IT RESOVED BY THE CITY COUNCIL OF UNIVERSITY PLACE AS FOLLOWS.

Section 1. Personnel Policies and Procedures Amended. Section 6.01 and Appendix C of the Personnel Policies and Procedures are amended as shown in Attachment A to this resolution.

Section 2. Authorization of City Manager to Administer the Personnel Policies and Procedures as Amended. The City Manager shall administer the Personnel Policies and Procedures as amended in Attachment A to this resolution.

Section 3. Effective Date. This resolution shall take effect November 1, 2001.

ADOPTED BY THE CITY COUNCIL ON SEPTEMBER 17, 2001.


Lorna Smith, Mayor

Attest:


Catrina Craig, City Clerk

Exhibit A, to Resolution No. 324

CHAPTER 6

BENEFITS

6.01 RETIREMENT BENEFITS

The City does not participate in the federal social security program. In place of it, the City provides the following retirement programs for employees.

Social Security Replacement Program: All employees eligible for participation in the Washington State Public Employees Retirement System utilize this system as a replacement for the federal social security program. Employees not eligible for PERS and other benefits will pay into social security.

All City employees contribute to Medicare insurance portion of FICA.

State Retirement System (PERS): All regular full-time and eligible part-time employees are covered by the statewide retirement system, the Public Employees Retirement System (PERS). Benefit levels, contribution rates, and eligibility criteria are set by the State of Washington.

Money Purchase Plan: The City provides ~~two~~ a mandatory money purchase 401(a) plans, ~~one mandatory and one optional,~~ in which the City contributes on behalf of the employee and the employee participates according to Appendix C of this manual and within dollar limits defined by the IRS.

Deferred Compensation Plan: The City provides a voluntary deferred compensation 457 plan for employees to contribute pre-tax dollars.

(See Appendix "C" for more details on retirement plan benefits and contributions.)

APPENDIX C

Summary of Employee Insurance Benefits

The following is a listing of insurance plans currently available to City of University Place employees (subject to change):

Medical Plan: Association of Washington Cities Employee Benefits Trust, Plan A (underwritten by Washington Physicians Service) or an HMO.

Dental Plan: Association of Washington Cities Employee Benefits Trust, Plan F and Orthodontia Rider Plan IV (underwritten by Washington Dental Service).

Vision Plan: Association of Washington Cities Employee Benefits Trust, Full Family - \$25 Deductible, Second Pair Option (underwritten by Vision Service Plan).

Long Term Disability Insurance: 60% of Salary; 90-day Elimination Period; Maximum Monthly Benefit of \$5,000; Minimum Monthly Benefit of \$100 (through R.L. Evans Company, provided by Unum Insurance).

Life and Accidental Death and Dismemberment Insurance: \$25,000 per employee (through R.L. Evans Company, provided by Unum Insurance).

Survivor Life Insurance: Spouse or Children - 30% to a \$900 monthly maximum benefit; Spouse and Children - 60% to a \$1,800 monthly maximum benefit (through R.L. Evans Company, provided by Unum Insurance).

Other Insurance: The City also may offer voluntary group life, short-term disability or other optional insurance programs paid for by the employee via payroll deductions.

ADDITIONAL BENEFIT INFORMATION

For regular employees, the City of University Place does not contribute to Social Security. PERS is the Social Security replacement for regular employees, and a 7.5% Deferred Compensation contribution, in lieu of Social Security, is made for Councilmembers. In addition, for regular employees, the employee is required to contribute ~~3.0%~~6.0% of their monthly earnings into a 401(a) Defined Contribution Plan matched by a City contribution of ~~5.25%~~6.2% of the employee's monthly earnings into the 401(a) plan. ~~An optional 401(a) plan is also provided whereby the City matches 0.95% with the employee's 3.0% contribution.~~ Vesting for the City share of both of the 401(a) plans is 33.3% after one year, 66.7% after two years, and 100% after three years of being employed with the City.

The City of University Place employees belong to PERS. The employer and employee contributions to PERS are established by the State Department of Retirement Systems